



# DIGEST SUPPLEMENT

To Legislative Digest and History of Bills  
Supplement No. 64\*

FIFTY-NINTH LEGISLATURE

Friday, April 15, 2005

96th Day - 2005 Regular

## SENATE

SB 6003  
SB 5615-S  
SB 6095-S  
SB 6101-S  
SB 6127

## HOUSE

HB 2314  
HB 2315  
HB 2316  
HB 2317  
HB 2318  
HB 2319  
HB 2320

## LIST OF BILLS IN DIGEST SUPPLEMENTS

See 2005 Regular, Supplement 46 for List of Bills for Supplements 1 through 46

### SENATE

SB 5029-S	Supp. 55	SB 5539-S	Supp. 55
SB 5060-S	Supp. 49	SB 5553-S	Supp. 57
SB 5089	Supp. 52	SB 5581-S2	Supp. 52
SB 5101-S	Supp. 55	SB 5597-S	Supp. 57
SB 5110	Supp. 52	SB 5640-S	Supp. 57
SB 5111-S2	Supp. 52	SB 5642-S	Supp. 57
SB 5119-S	Supp. 55	SB 5659-S	Supp. 58
SB 5160	Supp. 53	SB 5665-S2	Supp. 57
SB 5186-S	Supp. 52	SB 5714	Supp. 54
SB 5225-S	Supp. 59	SB 5730-S	Supp. 54
SB 5227-S	Supp. 55	SB 5736-S	Supp. 49
SB 5275-S	Supp. 49	SB 5746-S	Supp. 58
SB 5285-S	Supp. 53	SB 5767-S	Supp. 58
SB 5310-S	Supp. 55	SB 5776-S	Supp. 58
SB 5320-S	Supp. 56	SB 5806-S	Supp. 54
SB 5326-S	Supp. 56	SB 5872-S	Supp. 49
SB 5331-S	Supp. 56	SB 5952-S	Supp. 53
SB 5348-S	Supp. 49	SB 5960-S	Supp. 58
SB 5349-S	Supp. 58	SB 5962	Supp. 47
SB 5349-S	Supp. 56	SB 5966	Supp. 52
SB 5378-S	Supp. 56	SB 5968-S	Supp. 58
SB 5419-S	Supp. 56	SB 5983-S	Supp. 47
SB 5422-S	Supp. 57	SB 6010	Supp. 55
SB 5429-S	Supp. 57	SB 6086	Supp. 47
SB 5432-S	Supp. 54	SB 6086-S	Supp. 60
SB 5432-S	Supp. 53	SB 6087	Supp. 47
SB 5445-S	Supp. 53	SB 6088	Supp. 48
SB 5469-S	Supp. 57	SB 6089	Supp. 48
SB 5487-S	Supp. 57	SB 6090	Supp. 52
SB 5510	Supp. 53	SB 6090-S	Supp. 58
SB 5530	Supp. 58	SB 6091	Supp. 52

### HOUSE

HB 1016	Supp. 50	HB 2297	Supp. 53
HB 1029-S	Supp. 50	HB 2298	Supp. 53
HB 1037-S	Supp. 57	HB 2299	Supp. 53
HB 1068	Supp. 50	HB 2300	Supp. 53
HB 1079-S	Supp. 47	HB 2301	Supp. 53
HB 1246	Supp. 48	HB 2302	Supp. 54
HB 1268	Supp. 49	HB 2303	Supp. 54
HB 1291-S2	Supp. 50	HB 2304	Supp. 54
HB 1314-S	Supp. 47	HB 2304-S	Supp. 60
HB 1401-S	Supp. 48	HB 2305	Supp. 55
HB 1561	Supp. 48	HB 2306	Supp. 56
HB 1607-S	Supp. 49	HB 2307	Supp. 56
HB 1640-S	Supp. 50	HB 2308	Supp. 56
HB 1830-S	Supp. 51	HB 2309	Supp. 57
HB 1883-S	Supp. 52	HB 2309-S	Supp. 60
HB 1896-S2	Supp. 58	HB 2310	Supp. 58
HB 1903-S	Supp. 50	HB 2311	Supp. 62
HB 1917	Supp. 51	HB 2312	Supp. 62
HB 1970-S2	Supp. 47	HB 2313	Supp. 63
HB 2069-S2	Supp. 51	HJM 4021	Supp. 55
HB 2097-S	Supp. 52	HJM 4022	Supp. 60
HB 2185	Supp. 50	HJR 4213	Supp. 55
HB 2254	Supp. 49	HCR 4409	Supp. 50
HB 2259-S2	Supp. 51	HCR 4410	Supp. 51
HB 2289-S	Supp. 60		
HB 2292	Supp. 48		
HB 2292-S	Supp. 57		
HB 2293	Supp. 48		
HB 2294	Supp. 49		
HB 2295	Supp. 49		
HB 2296	Supp. 51		

\*To be discarded upon receipt of Edition No. 1 of the Legislative Digest and History of Bills

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**House Bills**

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**HB 2314** by Representative McIntire

Relating to revenue and taxation.  
Introduced by title and introductory section only.

**-- 2005 REGULAR SESSION --**

Apr 12 First reading, referred to Finance.

**HB 2315** by Representatives Hasegawa, Simpson, Moeller, Chase, Appleton, Flannigan, Conway, Morrell and P. Sullivan

Modifying the business and occupation taxation of investment income received by corporations.  
Revises the business and occupation taxation of investment income received by corporations.

**-- 2005 REGULAR SESSION --**

Apr 12 First reading, referred to Finance.

**HB 2316** by Representatives McIntire and Kenney

Relating to generating revenue for higher education funding.  
Introduced by title and introductory section only.

**-- 2005 REGULAR SESSION --**

Apr 13 First reading, referred to Finance.

**HB 2317** by Representative McIntire

Relating to revenue and taxation.  
Introduced by title and introductory section only.

**-- 2005 REGULAR SESSION --**

Apr 13 First reading, referred to Finance.

**HB 2318** by Representatives Hasegawa, Moeller, Ormsby, Dickerson, Sells, Pettigrew and Roberts

Imposing a tax on unearned income.  
Provides that a one percent tax is imposed on the taxable income of: (1) Individuals; and  
(2) Partnerships, limited liability companies, associations, and trusts, the beneficial interest in which is not represented by transferable shares, whose gross interest and dividend income from all sources exceeds three thousand dollars during the taxable year.  
Provides that the following exemptions may be deducted from taxable income: (1) Three thousand dollars for each individual taxpayer;  
(2) Three thousand dollars for each individual taxpayer's spouse if the taxpayer is entitled to an exemption for the spouse under section 151(b) of the internal revenue code.  
Declares that the tax imposed under this title does not apply to: (1) Interest and dividend income received by an employee benefit plan as defined by the employee retirement income security act of 1974, 29 U.S.C. Sec 1002(3), or any successor act enacted for the purpose of regulating employee benefit plans, or an individual retirement arrangement,

keogh plan, or any other arrangement pursuant to which payment of federal tax on the income thereof and of the plan sponsors, participants, and beneficiaries is deferred; either to the plan or arrangement or to its sponsors, participants, or beneficiaries, irrespective of when or whether all or any portion of such income is accumulated or expended for the benefit of, or distributed in any form or manner to, such sponsors, participants, or beneficiaries;

(2) Any amount received from the sale, exchange, or transfer of either a share of corporate stock or any other transferable share under this title, whether by way of liquidation, redemption, or otherwise, and irrespective of the identity of the parties to the sale, exchange, or transfer;

(3) Any distribution of capital, whether in liquidation or otherwise, but accumulated profits shall not be regarded as capital;

(4) Any amount received and used by any educational, religious, or charitable organization incorporated or organized in this state, for the purposes for which it is established as long as none of the income or profits of the organization is divided among stockholders or members or is used for purposes other than those for which it is established, or which is received by any trustee for the use of the state or any of its political subdivisions, or for the use of the organization for these purposes;

(5) Income accumulated in an employee benefit plan, as defined by the employment retirement income security act of 1974, 29 U.S.C. Sec. 1002(3), as amended, or in a trust comprising a part of such a plan.

Provides that any person who knowingly attempts to evade the tax imposed under this act or payment thereof is guilty of a class C felony as provided in chapter 9A.20 RCW.

Provides that any person required to collect tax imposed under this act who knowingly fails to collect, truthfully account for, or pay over the tax is guilty of a class C felony as provided in chapter 9A.20 RCW.

Provides that any person who knowingly fails to pay tax, pay estimated tax, make returns, keep records, or supply information, as required under this act, is guilty of a gross misdemeanor as provided in chapter 9A.20 RCW.

**-- 2005 REGULAR SESSION --**

Apr 13 First reading, referred to Finance.

**HB 2319** by Representative Darneille

Revising trial court funding provisions.  
Revises trial court funding provisions.

**-- 2005 REGULAR SESSION --**

Apr 13 First reading, referred to Rules.

**HB 2320** by Representative Sommers

Authorizing transfers from certain treasury accounts.

Provides that the legislature may transfer moneys from the health services account to the state general fund for purposes consistent with RCW 43.72.900.

Authorizes the legislature to transfer to the state general fund such amounts as represent the excess balance of the account in RCW 69.50.520.

**-- 2005 REGULAR SESSION --**

Apr 13 First reading, referred to Appropriations.

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**Senate Bills**


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**SB 6003** by Senator Jacobsen

Modifying the commute trip reduction tax credit.

(AS OF SENATE 2ND READING 4/05/05)

Revises provisions relating to commute trip reduction tax credit.

Provides that if Senate Bill No. 6103 is not enacted by June 30, 2005, this act is null and void.

**-- 2005 REGULAR SESSION --**

Feb 18 First reading, referred to Transportation.  
 Mar 4 TRAN - Majority; do pass.  
 Minority; do not pass.  
 Passed to Rules Committee for second reading.  
 Mar 11 Placed on second reading by Rules Committee.  
 Apr 5 Floor amendment(s) adopted.  
 Rules suspended. Placed on Third Reading.  
 Third reading, passed: yeas, 30; nays, 19; absent, 0.

**- IN THE HOUSE -**

Apr 6 First reading, referred to Transportation.  
 Apr 12 TR - Executive action taken by committee.  
 TR - Majority; do pass with amendment(s).  
 Apr 13 Passed to Rules Committee for second reading.

**SB 5615-S** by Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Delvin, Kohl-Welles, Parlette, Roach, Brown, Schmidt, Berkey, McAuliffe and Oke; by request of LEOFF Plan 2 Retirement Board)

Receiving a disability allowance under the law enforcement officers' and fire fighters' retirement system, plan 2.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Amends RCW 41.26.470 relating to receiving a disability allowance under the law enforcement officers' and fire fighters' retirement system, plan 2.

**-- 2005 REGULAR SESSION --**

Apr 4 WM - Majority; 1st substitute bill be substituted, do pass.  
 Passed to Rules Committee for second reading.  
 Apr 12 Placed on second reading by Rules Committee.  
 Apr 13 1st substitute bill substituted.  
 Rules suspended. Placed on Third Reading.  
 Third reading, passed: yeas, 47; nays, 0; absent, 2.

**SB 6095-S** by Senate Committee on Ways & Means (originally sponsored by Senator Prentice; by request of Office of Financial Management)

Recovering debts owed to the state for medical assistance.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Provides that, when an individual receives medical assistance subject to recovery under chapter 43.20B RCW and the individual is the holder of record title to real property or the purchaser under a land sale contract, the department of social and health services may present to the county auditor for recording in the deed and mortgage records of a county a request for notice of transfer or encumbrance of the real property. The department shall adopt a rule providing prior notice and hearing rights to the record title holder or purchaser under a land sale contract.

Provides that the department shall present to the county auditor for recording a termination of request for notice of transfer or encumbrance when, in the judgment of the department, it is no longer necessary or appropriate for the department to monitor transfers or encumbrances related to the real property.

Provides that, if the department of social and health services has filed a request for notice of transfer or encumbrance under this act: (1) A title insurance company or agent that discovers the presence of a request for notice of transfer or encumbrance when performing a title search on real property shall disclose the presence of the request for notice of transfer or encumbrance in any report preliminary to, or any commitment to offer, a certificate of title insurance for the real property; and

(2) Any individual who transfers or encumbers real property shall provide the department of social and health services with a notice of transfer or encumbrance. The department of social and health services shall adopt by rule a model form for notice of transfer or encumbrance to be used by a purchaser or lender when notifying the department.

Provides that there will be no collection of debts due the department after the expiration of twenty years from the date a lien is recorded pursuant to RCW 43.20B.080.

Authorizes the department to enforce a lien authorized under this act against a decedent's life estate or joint tenancy interest in real property held by the decedent immediately prior to his or her death. Such a lien enforced under this act shall not end and shall continue as provided in this subsection until the department's lien has been satisfied.

**-- 2005 REGULAR SESSION --**

Apr 4 WM - Majority; 1st substitute bill be substituted, do pass.  
 Minority; without recommendation.  
 Passed to Rules Committee for second reading.

**SB 6101-S** by Senate Committee on Ways & Means (originally sponsored by Senator Prentice)

Modifying public pension provisions.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Revises provisions relating to public pensions.

**-- 2005 REGULAR SESSION --**

Apr 4 WM - Majority; 1st substitute bill be substituted, do pass.  
Minority; do not pass.  
Minority; without recommendation.  
Passed to Rules Committee for second reading.

**SB 6127** by Senators Fraser, Jacobsen, Roach, Shin and Regala

Changing postretirement employment provisions and raising the sixty percent cap on retirement allowances under the public employees' and teachers' retirement systems.

Revises postretirement employment provisions and raises the sixty percent cap on retirement allowances under the public employees' and teachers' retirement systems.

**-- 2005 REGULAR SESSION --**

Apr 14 First reading, referred to Ways & Means.

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# LIST OF BILLS IN DIGEST SUPPLEMENTS CONT.

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## SENATE

SB 6091-S	Supp. 61
SB 6092	Supp. 52
SB 6093	Supp. 52
SB 6093-S	Supp. 61
SB 6094	Supp. 52
SB 6094-S	Supp. 60
SB 6095	Supp. 53
SB 6096	Supp. 54
SB 6097	Supp. 54
SB 6098	Supp. 55
SB 6099	Supp. 56
SB 6100	Supp. 57
SB 6101	Supp. 58
SB 6102	Supp. 59
SB 6103	Supp. 60
SB 6103-S	Supp. 61
SB 6104	Supp. 60
SB 6105	Supp. 61
SB 6106	Supp. 61
SB 6107	Supp. 63
SB 6108	Supp. 63
SB 6109	Supp. 63
SB 6110	Supp. 63
SB 6111	Supp. 63
SB 6112	Supp. 63
SB 6113	Supp. 63
SB 6114	Supp. 63
SB 6115	Supp. 63
SB 6116	Supp. 63
SB 6117	Supp. 63
SB 6118	Supp. 63
SB 6119	Supp. 63
SB 6120	Supp. 63
SB 6121	Supp. 63
SB 6122	Supp. 63
SB 6123	Supp. 63
SB 6124	Supp. 63
SB 6125	Supp. 63
SB 6126	Supp. 63
SJM 8022	Supp. 52
SJM 8023	Supp. 60
SCR 8409-S	Supp. 60

## HOUSE